THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU): (a) No, Sir.

(b) Does not arise.

Levy of safety surcharge

118. SHRI GIREESH KUMAR SANGHI:
DR. T. SUBBARAMI REDDY:

Will the Minister of RAILWAYS be pleased to state:

(a) whether Indian Railways have come under criticism of Parliamentary Standing Committee for continuing to levy safety surcharge subsumed in the actual fare as development fund from the passengers even after its expiry on 31st March, 2007;

(b) if so, what are main points mentioned by the Parliamentary Committee;

(c) whether Railways have considered these suggestions;

(d) if so, what are main reasons for charging this amount after expiry:

(e) whether Railways is considering to discontinue the same; and

(f) if so, by when final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU): (a) and (c) Yes, Sir.

(b) The Committee noted that the Railways have subsumed the safety surcharge in the passenger tariff for part funding of the Dedicated Freight Corridor and other infrastructure projects and expressed their disapproval of the same. They strongly recommended that this practice should not be adopted by the Railways and that the Ministry should review the decision taken to replace the safety surcharge with development charge.

(d) The main reason for subsuming the safety surcharge in the passenger tariff is the fact that despite increase in input costs and wholesale price index, there has been no increase in passenger fares since 2002-03. On the contrary, passenger fares have been reduced in the last few successive Railway Budgets. The massive expansion required in rail infrastructure both for meeting passenger and freight needs, in synchronization with the requirement of the growing economy, has placed considerable burden on the Railways are also not getting adequate gross budgetary support and are increasingly relying on internal generation and market borrowing for financing crucial infrastructure. As market borrowing becomes more and more expensive, it would be difficult for the Railways to consider withdrawal of the Development Charge.

(e) No, Sir.

(f) Does not arise.